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Defense Authorization Bill to Improve Federal Acquisition

The Defense Authorization Bill, which was recently signed into law by President Bush, includes a provision designed to improve federal acquisitions by allowing agencies to more closely fashion themselves after the private sector and the manner in which they purchase services. The new contracting rules, known as the Services Acquisition Reform Act (SARA), are included in the Bill.

A provision in the new law creates an avenue for most major agencies (other than DoD) to appoint a “non-career” chief acquisition officer to help eliminate stovepipes in their daily operations. This position will also serve as a high-level focal point for acquisition agency-wide, strategic planning and performance evaluation processes. The establishment of a Chief Acquisition Officers Council will help monitor and improve the federal acquisition system. Through this council, recommendations on government-wide acquisition policies and other acquisition initiatives will be developed, and it will work, in concert, with the Office of Personnel and Management in the assessment, hiring, training and professional development needs related to acquisition.

The legislation provides for an increase in training for federal workers who manage contracts, and establishes a civilian acquisition workforce-training fund within GSA. This effort will stabilize training funding for civilian agencies and allow acquisition professionals to get the training they need to face the challenge of the new service-oriented and technology-driven federal market.

The law also facilitates the government’s recent shift toward “performance-based” contracts, instructing agencies to attempt to utilize such contracts when awarding service contracts valued at less than \$25 million. Historically, the government has identified a problem, arrived at a solution and invited vendors to bid on the solution. With the new performance-based approach, the government identifies the problems and requests solutions from the vendor. Supporters of this change say it will allow the government to take advantage of private companies’ creativity and expertise.

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